



December 7-8, 2006

## **Physician outliers**

**ISSUE:** The Deficit Reduction Act of 2005 requires that the Commission report on alternatives to the sustainable growth rate (SGR) system. Among the alternatives we must analyze is a payment policy that might adjust payments based on physician outliers.

**KEY POINTS:** This paper presents an analysis of physician outliers. First, we attempt to assess the magnitude of outlier payments to physicians, using per-capita payments as the benchmark. Then, we assess the feasibility of identifying physician outliers using episode groupers.

**ACTION:** Commissioners should provide staff feedback the appropriateness of this material for MedPAC's mandated report on alternatives to the SGR.

**STAFF CONTACT:** Cristina Boccuti (202-220-3705), Niall Brennan (202-220-3719), and Jennifer Podulka (202-220-3718)